Government of Saskatchewan

Annual Report 1985-1986

Saskatchewan Liquor Licensing Commission

87-05925/

Letter of Transmittal

The Honourable Frederick W. Johnson
Lieutenant Governor of the
Province of Saskatchewan

Dear Sir:

I have the honour to hereby transmit the Twenty-Seventh Annual Report of the Liquor Licensing Commission for the year ending March 31, 1986.

Yours sincerely

George McLeod
Minister in Charge
Saskatchewan Liquor Licensing Commission

A Message from the Chairman of the Board

The Honourable George McLeod
Minister in Charge
Saskatchewan Liquor Licensing Commission

Dear Sir:

I have the honour on behalf of the Liquor Licensing Commission to submit herewith the Annual Report of this Commission covering the fiscal year ending March 31, 1986.

I wish to express my thanks to all of our employees for their support and good service throughout the year.

Respectfully submitted,

Martin Pederson

Martin Pederson
Chairman

Local Option Votes

Pursuant to the provisions of Section 36 of The Liquor Licensing Act, the Commission arranged for votes to be taken in 15 local option areas, resolutions having been received from the various municipal councils requesting such votes to be taken. A statement showing the results of these votes is included as Schedule A to this report.

Licensing

During the year, the Commission held fifty-one sittings and conducted two hundred and twenty-five hearings to consider applications for the various types of licenses provided for in Section 31 of The Liquor Licensing Act. The Commission also held fifty-one meetings and passed minutes on six hundred and sixteen matters pertaining to the general conduct and operation of licensed outlets.

The Commission has continued to follow the policy of granting licenses only to applicants of good character and who possess the attributes necessary to ensure satisfactory operation of their business. Every effort was made to ensure that applicants fuily understood their responsibilities with regard to the provisions of The Liquor Licensing Act and Regulations made pursuant thereto.

Reports received from the Inspection Department indicate that licensees generally are operating their establishments conscientiously and discharging their responsibilities to the public in a most satisfactory manner.

In accordance with the provisions of Section 29 of the Act, a statement showing the requirements of this section is included as Schedule B to this report.

Financial Statement

A statement of the financial aspects of the operation of the Commission is included.

Acknowledgements

The Commission acknowledges with gratitude the fine co-operation and help which has been given by all departments of Government and by the R.C.M. Police and the various municipal law enforcement authorities. The Commission also wishes to report that the employees have continued to serve most loyally and effectively for which the Commissioners express their sincere thanks.

Schedule A — Statement of Local Option Votes

Local option votes were taken in 15 local option areas during the year. Results of the voting on the various questions by such local option areas are as follows:

	Affirmative	Negative
Restaurants	2	0
Beverage Rooms	0	1
Dining Rooms	8	2
Cocktail Rooms	5	2
Clubs	4	1

Schedule B — Statement of Licenses

Type of License	Issued	Terminated/Expired and Surrendered				Licenses in Effect	
		Ownership Change	Seasonal & Interim	Close of Business	Premise Destroyed	Cancelled by Commission	March 31, 1986	March 31, 1985
Restaurants	26	—	8	3(note 2)	—	—	15	7
Beverage Room								
— Hotel	634(note 1)	78	50	4	3	—	499	496
— Restaurant	7	1	—	—	—	—	6	6
Dining Room	814	71	105	41	4	—	593	559
Cocktail Room	429	26	51	29	2	—	321	309
Club (Liquor)	143	1	21	4	—	1	116	108
Canteen (Liquor)	79	—	4	—	—	—	75	75
Northern Outfitter's	6	—	6	—	—	—	—	—
Totals	2,138	177	245	81	9	1	1,625	1,560

Note (1) All hotel beverage room licencees were also issued an off-sale beer license.
(2) One of these licenses was voluntarily surrendered and replaced with a dining room license.

Suspensions:
6 Beverage Room Licenses
2 Dining Room Licenses
1 Cocktail Room License
4 Club Liquor Licenses

Statement of Applications Received

Type of Licence	Received and Carried over from 1984-85	Issued	Refused	Withdrawn by Applicant	Pending March 31, 1986
Restaurant	23	20	—	—	3
Beverage Room — Hotel	618	602	—	3	13
— Restaurant	7	7	—	—	—
Dining Room	749	723	—	4	22
Cocktail Room	394	383	—	4	7
Club (Liquor)	137	133	1	—	3
Canteen (Liquor)	77	77	—	—	—
Northern Outfitter's	6	6	—	—	—

Liquor Licensing Commission

Financial Statements

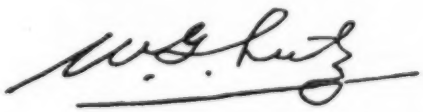
Year ended March 31, 1986

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Liquor Licensing Commission as at March 31, 1986 and the statements of revenue, expenditure and retained earnings, and cash flows for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
May 23, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Liquor Licensing Commission

Balance Sheet as at March 31

	1986	1985
Assets		
Current:		
Accounts receivable (note 3)	$ 534,481	$ 496,799
Prepaid Expenses	8,813	8,813
Total current assets	$ 543,294	$ 505,612
Liabilities and Equity		
Current:		
Accounts payable	$ 71,787	$ 56,465
Deferred revenue (note 5)	236,273	289,000
Total current liabilities	308,060	345,465
Pension costs payable (note 2)	141,967	96,119
Equity:	93,267	64,028
Retained earnings	$ 543,294	$ 505,612

(See accompanying notes)

Liquor Licensing Commission

Statement of Revenue, Expenditure and Retained Earnings
Year Ended March 31

	1986	1985
Revenue		
Payments by Liquor Board pursuant to Section 227, The Liquor Act	$1,441,236	$1,373,564
License fees	373,481	355,941
Entertainment fees	95,273	94,440
Application fees	47,322	47,350
Interest	26,000	41,500
Payment by railway and airline companies pursuant to Section 116 and 119, respectively, The Liquor Licensing Act	3,265	2,632
Total revenue	1,986,577	1,915,427
Expenditure:		
Administration		
Salaries and wages	816,548	695,984
Travel	177,347	129,775
Superannuation fund contributions (note 2)	137,434	134,340
Rent, light and water (note 4)	114,116	122,196
Employee benefits	36,648	29,653
Stationery and supplies	30,098	42,896
Postage and Telephone	29,803	28,738
Data Processing	28,515	26,136
Advertising and voting re licensed premises	26,921	19,806
Sundry	8,508	11,671
Small Equipment Purchase	1,400	1,936
Total expenditure	1,407,338	1,243,131
Excess of revenue over expenditure	579,239	672,296
Retained earnings, beginning of year	64,028	91,732
	643,267	764,028
Payments to Minister of Finance (note 6)	550,000	700,000
Retained earnings, end of year	$ 93,267	$ 64,028

(See accompanying notes)

Liquor Licensing Commission

Statement of Cash Flows for the Year Ended March 31

	1986	1985
Cash provided by operating activities		
Excess of revenue over expenditure	$ 579,239	$ 672,296
Add charges to operations not requiring a current cash payment		
— addition to pension costs payable	45,848	46,295
	625,087	718,591
Net change in non-cash working capital balances relating to operations*	(75,087)	(18,591)
Cash provided by operating activities	550,000	700,000
Cash used in transfer payments		
Payments to Minister of Finance	(550,000)	(700,000)
Net increase (decrease) in cash during year	—	—
Cash Position at beginning of year (note 3)	—	—
Cash position at end of year (note 3)	$ —	$ —
*Accounts receivable	$ (37,682)	$ (23,360)
Prepaid expenses	—	(8,813)
Accounts payable	15,322	3,283
Deferred revenue	(52,727)	10,299
	$ (75,087)	$ (18,591)

(See accompanying notes)

Liquor Licensing Commission

Notes to Financial Statements
March 31, 1986

1. Accounting Policy

a) Pensions

The employees of the Commission are covered by either the Public Employees (Government Contributory) Superannuation Plan or the Liquor Board Superannuation Fund. The Public Employees (Government Contributory) Superannuation Plan is a cost based plan and all pension costs which are charged to operations are equivalent to the amount provided for funding. The Liquor Board Superannuation plan is a benefit based plan and accordingly the Commission has with the recommendation from the plan Actuary established the following policies:

Current service costs are charged to operations. Past service costs arising from modification of the benefits payable under the plan or adjustments in the pension cost calculations brought about by an actuarial evaluation are charged to operations over the future working period of the present members of the plan not to exceed 15 years. These charges are based on a level percentage of employees' contributions to this plan. Any difference between the amount charged to operations and the amount provided for funding is included as a liability or as a deferred charge.

Should the Liquor Board Superannuation Fund become unable to meet all superannuation allowances, lump sum payments and refunds, together with any accruals of interest thereon, any deficiencies will be met by payments from the revenues of the Liquor Board.

b) Administrative Services

The Commission head office occupies the same premises as the Liquor Board head office. The accounting and some office administration functions are provided by the Liquor Board. The Commission has not been charged for these accounting or administrative services and no provision for such costs is reflected in these financial statements. These costs are borne by the Liquor Board.

2. Pension Plan

An actuarial report on the Liquor Board Superanuation Fund as at December 31, 1981 established that there is an unfunded liability for past service costs. The Commission's portion of this past service cost requires an adjusted provision for Superannuation expense for 1986 of $117,294 ($34,957 for current service costs, $82,337 for amortizing past service costs). The cumulative difference between the Commission's provision and funding for pension costs gives rise to a $141,967 pension cost payable.

3. Due From Liquor Board

Pursuant to Section 166 of The Liquor Licensing Act, the bank account of the Commission was designated to be the Liquor Board's general bank account. Accordingly, $533,711 which is the difference between the Commission's receipts and payments is included with accounts receivable.

4. Commitment

The lease agreement for offices at 4211 Albert Street requires future minimum lease payments as follows:

	1986	1985
1986	$ —	$105,753
1987	88,129	88,129
	$ 88,129	$193,882

During the year these offices were subleased and rental revenue of $24,000 is reflected as a reduction of rent expense.

5. Deferred Revenue

Deferred revenue represents license fees received for which no licenses were issued at March 31, 1986.

6. Retained earnings are paid over to the Minister of Finance for the Consolidated Fund at the direction of the Treasury Board pursuant to Section 169 of The Liquor Licensing Act.

7. Prior Period Correction

During the year, the Commission determined that the method used to calculate accrued vacation pay was not in accordance with its policy for recognition of vacation entitlements. Therefore, the Commission has amended its method of accrued vacation pay calculation. This change has been applied retroactively in these financial statements. The effect is to increase 1985 salaries and wages expense by $8,881, and to increase prior periods salaries and wages expense by $25,327. As a result of these changes, excess of revenue over expenditure at March 31, 1985 has decreased by $8,881, and retained earnings, beginning of year 1985 has decreased by $25,327. Accounts payable has been increased by corresponding amounts.